



CITY OF WESTMINSTER

# DRAFT MINUTES

## Audit & Performance Committee

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** held at 6.30pm on Wednesday 5<sup>th</sup> February 2020, Rooms 18.4/18.5, 18<sup>th</sup> Floor, Westminster City Hall, 64 Victoria Street, London SW1E 6QP.

**Members Present:** Councillors Ian Rowley (Chairman), David Boothroyd and Elizabeth Hitchcock.

**Also Present:** Annette Acik (Interim Director, Public Protection & Licensing), Gerald Almeroth (Executive Director of Finance & Resources), Hazel Best (Bi-Borough Legal Services), Mathew Dawson (Strategic Finance Manager, Treasury & Pensions), Paul Dossett (Grant Thornton), Laurelin Griffiths (Grant Thornton), Gary Hamilton (Consultant Programme Manager, ASC), Chief Superintendent Helen Harper (Metropolitan Police Service), Ian Heggs (Bi-Borough Director of Education), Martin Hinkley (Director of Revenues & Benefits), David Hughes (Shared Services Director for Audit, Fraud, Risk & Insurance), Paul Jacklin (Grant Thornton), Artemis Kassi (Senior Committee & Governance Officer), Superintendent Mark Lawrence (Metropolitan Police Service), Moira Mackie (Senior Internal Audit Manager), Steve Muldoon (Director of Commercial & Financial Management), James Partis (Programme Lead, Better Care Fund), Mo Rahman (Data & Intelligence Manager), Sophie Shore (Head of Intelligence & Strategy), Anita Stokes (Lead Strategic Financial Manager for Children's Services), Rikin Tailor (Head of Corporate Finance), Phil Triggs (Tri-Borough Director of Treasury & Pensions), and Neil Wightman (Director of Housing).

#### 1 MEMBERSHIP

- 1.1 The composition of the Committee changed. Councillor Jacqui Wilkinson was replaced by Councillor Danny Chalkley, who sent apologies for this meeting. Councillor Elizabeth Hitchcock substituted for Councillor Danny Chalkley

#### 2 DECLARATIONS OF INTEREST

- 2.1 No declarations were made.

#### 3 MINUTES

- 3.1 **RESOLVED:** That the Minutes of the meeting held on 27<sup>th</sup> November 2019 be agreed by the Committee as a correct record of proceedings.

#### **4. METROPOLITAN POLICE SERVICE – BASIC COMMAND UNIT**

- 4.1 Chief Superintendent Helen Harper and Superintendent Mark Lawrence submitted a report from the Metropolitan Police Service (MPS) on the performance of the Basic Command Unit, one year on from its implementation in February 2019.
- 4.2 The MPS officers described how 32 London boroughs had been transformed into 12 Basic Command Units (BCUs), in which Westminster policing now fell within the BCU for Hammersmith & Fulham, the City of Westminster and the Royal Borough of Kensington & Chelsea. The local authority policing model had been replaced by five strands, which covered investigation, emergence response, HQ, neighbourhood and safeguarding. Changes to the original model and priorities that had been made during the first year of implementation had included violence in public spaces.
- 4.3 The Committee commented on the historical police divisions and noted the MPS strategic community engagement with Safer Neighbourhood Panels and Police Community Consultative Groups; together with wider engagement at the Greater London Assembly level.
- 4.4 The Committee discussed crime statistics and noted that people who committed offences in the West End and St James's Wards were travelling into Westminster. The transient nature of people passing through Westminster could also result in late reporting. Collaborative and flexible working across all BCUs was proving another solution to tracing offenders; along with crime prevention work with hoteliers, airlines and neighbouring boroughs to raise awareness, especially amongst visiting tourists. The MPS reported that sanctioned detection rates for robbery had improved, due to more skilled detectives and a significant increase in arrests. Results were also being improved by smarter partnership working.
- 4.5 Annette Acik (Interim Director, Public Protection & Licensing) commented on the neighbourhood management model used by the City Council, which was supported by dedicated Ward Officers in a coordinated approach with local considerations and problem-solving.
- 4.6 The Committee discussed how the MPS could ensure the correct level of officer's attendance at the City Council's meetings, particularly from the perspectives of Children's Services and Community Safety. The MPS acknowledged that moving to the new model had presented challenges as a layer of leadership had been removed, and strategic leadership and operational ability was now shared across the three boroughs. The MPS also commented that although the policing based at the BCU extended across a wider area, it was still imperative to deliver what mattered most to local people.
- 4.7 Committee Members commented on the numbers of available police officers that were available and on their visibility. The MPS considered that the most effective distribution could be gained from a mix of neighbourhood response and specialist officers. Police force numbers had also improved, due to increased government funding with up to 50 officers joining the BCU every

month. Although the uplift of 50 MPS officers per month had been considered positive, the MPS highlighted the need for training as being a challenge. The MPS also commented that the past year had been a difficult period, with the impact on resources caused by events such as the Extinction Rebellion being felt across Westminster.

4.8 The Committee commented on the need for the City Council to have greater access to police data, and noted that although the MPS had lost its crime analysts, abstracted data would now be available as the analysts had now been re-established together with performance analysts.

4.9 The Committee requested a further update in nine months' time, which would also time for more data to be available.

4.10 **RESOLVED:** That

1. the report be noted; and
2. the Metropolitan Police Service be invited to the Committee's September meeting to provide a further report.

## **5 GRANT THORNTON CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT**

5.1 Paul Dossett, Paul Jacklin and Laurelin Griffiths (Grant Thornton) presented the Certification of Claims and Returns Annual Report which had been prepared by the City Council's external auditors.

5.2 The Committee noted the process that had been followed, which had included how to ensure consistency across all the London boroughs for whom Grant Thornton were the auditors; and noted the increased work needed to meet the requirements of the Financial Reporting Council (FRC). The Committee was advised that further details would be submitted at the next meeting.

5.3 **RESOLVED:** That the Certification of Claims and Returns Annual Report prepared by the City Council's external auditors be noted.

## **6. GRANT THORNTON ANNUAL AUDIT PLAN 2019/20**

6.1 Paul Dossett, Paul Jacklin and Laurelin Griffiths (Grant Thornton) presented the Annual Audit Plan 2019/20 which had been prepared by the City Council's external auditors.

6.2 Grant Thornton advised the Committee about proposed work on the 2019/20 audit of the financial statements and the Value for Money conclusion. The Committee heard that there would be a reduction in the materiality figure from last year and that this was driven by the Financial Reporting Council (FRC).

6.3 **RESOLVED:** That the Annual Audit Plan 2019/20 prepared by the City Council's external auditors be noted.

## **7. MAINTAINING HIGH ETHICAL STANDARDS AT THE CITY COUNCIL**

- 7.1 The Committee received a report from Hazel Best (Bi-borough Legal Services) on the arrangements to maintain high ethical standards throughout the Authority. The review of ethical standards was submitted to the Audit & Performance Committee on an annual basis.
- 7.2 Officers advised that this was timely, following the work of the Committee on Standards in Public Life (CSPL) and the LGA with its Civility in Public Life programme of work, including a consultation. The Committee queried protection given to whistle-blowers within the Council, the numbers of disciplinary cases and the rules governing officers' receipt of hospitality and gifts.
- 7.3 **RESOLVED:** That the arrangements to maintain high ethical standards throughout Westminster City Council be noted.

### **ACTIONS:**

The reporting requirements for officers on gifts and hospitality to staff to be reinforced. **Action for Tasnim Shawkat - Director of Law, Bi-borough Legal Services and Lee Witham – Director of People Services)**

## **8. FINANCE & PERFORMANCE BUSINESS PLAN MONITORING**

### **8.1 Period 8 Finance Report 2019/20**

- 8.1.1 Gerald Almeroth (Executive Director of Finance Resources) and Rikin Tailor (Head of Corporate Finance) submitted the Period 8 Finance Report, which provided details of the forecast outturn in respect of revenue and capital by Cabinet Portfolio (prior to leadership and Cabinet changes). The report also set out projected revenue and capital expenditure, together with key risks and opportunities.
- 8.1.2 The Committee noted a projected underspend of £0.0761m (0.4%) against budget on the previous portfolios, with potential to increase to £1.111m if all risks and opportunities were realised. The report also projected an expenditure variance of £24.252m and income variance of £2.493m, resulting in a net underspend of £21.759m. The Housing Revenue Account (HRA) revenue forecast was for an overall net surplus of £4.057m, resulting in an adverse variance of £5.736m compared to budget. The forecast gross capital expenditure outturn for the HRA at the end of period 8 was £142.771m, resulting in a total variance of £7.083m compared to the budget of £149.854m. Variances, risks and opportunities within Cabinet Portfolios continued to be monitored closely as the year progressed.
- 8.1.3 Issues discussed included the Housing Services' variance figure; slippage in Capital Programmes; and continuing measures being taken to mitigate the persistent deficit for Westminster's schools. The Committee heard that the

schools' deficit was predominantly related to primary schools with falling rolls, but that measures were already in place to support schools whilst maintaining standards. The Committee was advised that extra staff had been recruited to assist working with schools on developing robust deficit plans; and to work with the Schools Forum (the statutory advisory body) and both dioceses. The Committee requested continuing updates and monitoring.

8.1.4 The Committee made several requests for further information.

8.1.5 **RESOLVED:** That the Period 8 Monitoring Report be noted.

## 8.2 Quarter 3 Performance Report.

8.2.1 Mo Rahman (Data & Intelligence Manager) and Sophie Shore (Head of Strategy & Intelligence) presented a report which summarised the City Council's performance for the third quarter of the 2019/20 financial year against City for All priorities. The report also set out progress and figures until the end of December.

8.2.2 The Committee discussed notable achievements, including Westminster's becoming a living wage employer and areas for improvement, such as the BAME pay gap areas of risk or off-track. The Committee made several requests for extra detail and asked to receive a report at its 30<sup>th</sup> April meeting from NHS England on low rates of immunisation and from officers a more detailed report on abuse against staff in public-facing roles. The Committee discussed areas of risk and observed that several Key Performance Indicators were off-track.

8.2.3 The Committee made several requests for further information.

8.2.4 **RESOLVED:** That the Quarter 3 Performance Report for 2019/20 be noted.

### **ACTIONS:**

1. Committee Members to receive an update report at Year End on school finances/school deficits at the 30<sup>th</sup> April meeting. **(Action for Gerald Almeroth - Executive Director of Finance & Resources; Ian Heggs – Bi Borough Director of Education; and Steve Muldoon – Director of Commercial & Financial Management.)**
2. The Committee to receive more information about short-term letting, with a breakdown of City Survey information by Ward. **(Action for Mo Rahman - Data & Intelligence Manager)**
3. Committee Members to receive a report from NHS England on immunisations – and to also receive information about the consequences of not being vaccinated and what can be done to improve vaccination rates. NHS England to be invited to the Committee meeting on 30<sup>th</sup> April. **(Action for Bernie Flaherty - Bi-Borough Executive Director for Adult Social Care & Health; Russell Styles - Deputy Director of Public Health; and Katherine Reid - Strategy & Business Planning Manager, Public Health.)**

4. The language used in the report be revised to reflect the change to the language around corporate parenting that was adopted at Full Council in January. **(Action for Sarah Newman - Bi-Borough Executive Director of Children's Services; and for all where relevant.)**
5. The Committee to be provided with details about the levels of subsidy, beneficiaries and sustainability of the Strategic Investment Pot. **(Action for Greg Ward - Director of Regeneration & Economic Development: Growth Planning & Housing.)**
6. Committee Members to receive more detail on the risk of abuse to staff in public-facing roles, including where and in which Wards and how concentrated these incidents are. **(Action for Sara Sutton - Executive Director of City Management & Communities; and Claudia Hemsley - Strategic Projects Manager: Growth, Planning & Housing Service Development.)**
7. Committee Members to further analysis of the decline in Paid for Parking and Permits. **(Action for Sara Sutton - Executive Director of City Management & Communities; and Claudia Hemsley - Strategic Projects Manager: Growth, Planning & Housing Service Development.)**
8. The Committee to receive more detail on the fragility of the care market, including the costs imposed on councils, closure costs and the extent of liability for taking over a care home. **(Action for Gerald Almeroth - Executive Director of Finance & Resources; and Bernie Flaherty - Bi Borough Executive Director of Adults.)**
9. Committee Members to receive more detail on how the London Living Wage is being rolled out. **(Action for Gerald Almeroth - Executive Director of Finance & Resources.)**
10. The Committee to be provided with more detail and analysis about the risks related to planning fees, in particular Planning Performance Agreements. **(Action for the Growth, Planning & Housing Service.)**

## **9. TREASURY MANAGEMENT HALF-YEAR MONITORING REPORT**

- 9.1 Phil Triggs (Tri-Borough Director of Treasury & Pensions) and Mathew Dawson (Strategic Finance Manager, Treasury & Pensions) presented a mid-year review of the delivery of Treasury Management Strategy for 2019/20, which included any cases of non-compliance.
- 9.2 The Committee noted that the City Council had under borrowed and had financed capital expenditure using cash receipts. Issues Discussed included the economic prospects for the United Kingdom post-Brexit; and lending to other local authorities.
- 9.3 **RESOLVED:** That the Treasury Management Half-Year Monitoring Report for

2019/20 be noted.

#### **ACTIONS:**

Committee Members to receive more information on interest rates. **(Action for Phil Triggs - Tri-Borough Director of Treasury & Pensions; and Artemis Kassi - Committee & Governance Services.)**

### **10. INTERNAL AUDIT MONITORING REPORT**

- 10.1 David Hughes (Shared Services Director, Audit, Fraud, Risk & Insurance) and Moira Mackie (Senior Manager, Audit, Fraud, Risk & Insurance) updated the Committee on progress in internal audit monitoring.
- 10.2 The Committee noted that within the areas audited, internal control systems had been generally effective with five positive assurance reviews (substantial or satisfactory) being issued in the period. The follow up reviews for three audits completed in the period had confirmed that the implementation of recommendations had been effective in two cases, with all recommendations fully implemented at the time of review. A further follow up would be undertaken on one audit where some recommendations had not yet been fully addressed.
- 10.3 **RESOLVED:** That the Internal Audit Monitoring Report be noted.

### **11 INTERNAL AUDIT PLAN 2020/21**

- 11.1 David Hughes (Shared Services Director, Audit, Fraud, Risk & Insurance) and Moira Mackie (Senior Manager, Audit, Fraud, Risk & Insurance) presented the draft Audit Plan for 2020/21.
- 11.2 The Internal Audit Plan had been reviewed to reflect the changes in the structure of Westminster, and to ensure that the City Council's audit work addressed key risks during a period of change and general financial constraints. The Audit Plan would include sufficient audit coverage to enable an overall opinion to be provided on the City Council's control framework, and was sufficiently flexible to allow for additional reviews to be added in areas where support and/or advice may be required.
- 11.3 **RESOLVED:** That the draft Audit Plan for 2020/21 be noted.

### **12. INTEGRATED BUSINESS CENTRE (IBC) UPDATE**

- 12.1 Rikin Tailor (Head of Corporate Finance) presented a report which updated the Committee on progress in the Integrated Business Centre (IBC), which was being delivered in partnership with Hampshire County Council as a replacement for the BT Managed Services.

- 12.2 The Committee noted that the (IBC) had moved successfully beyond the stabilisation phase into 'business as usual' and that satisfaction with the IBC service across the Council had steadily increased with 82% of staff being highly satisfied. Coupled with the reduction in contact volumes, this demonstrated that customers were increasingly adapting to the system and viewed the Shared Services model positively.
- 12.3 **RESOLVED:** That the positive progress in establishing the Integrated Business Centre be noted.

### **13. WESTMINSTER HOUSING SERVICE**

- 13.1 The Committee received a report on the performance of the Westminster Housing Service from Neil Wightman (Director of Housing). It had been nine months since responsibility for the housing service had transferred to the City Council, and the report provided performance information and gave an overview of current service standards and the progress that has been made in delivering improvements.
- 13.2 The Director of Housing reported that highlights within the portfolio had included improvements in the performance of contact centres and in the repairs service. The housing contact centre had also performed well, with 75% of calls being answered within 30 seconds against the corporate target for contact centres of 70%. The Westminster on Wheels initiative, which provided a mobile surgery service had also been a success; and the Committee noted that 94% of the 1600 residents that had visited the bus to the end of December had been either very happy or happy with the bus being on the estate.
- 13.3 Targets had been set by Westminster's client team prior to the housing service returning in-house, and all targets required an improvement on previous performance levels and had been benchmarked against published performance for high performing London boroughs. The Director of Housing informed the Committee that all estates in Westminster would have action plans by the end of the year. The Committee noted that the Director was also overseeing delivery of a service improvement programme, which was designed to integrate the Housing Management Service into the City Council and provide staff with the tools and infrastructure needed to provide high quality services.
- 13.4 Issues discussed by the Committee included anti-social behaviour; criminality; voids and the number of days when properties were empty between lets; repairs; residents' associations; and building a relationship with residents.
- 13.5 **RESOLVED:** That the report on the performance of the Westminster Housing Service be noted.

### **14. WORK PROGRAMME AND ACTION TRACKER**

- 14.1 The Committee noted the items on its Work Programme for the next meeting on 30<sup>th</sup> April 2020, together with actions taken in response to issues raised at the previous meeting in November. The Committee noted that the timing of the



April meeting did not coincide with financial reporting deadlines and that an additional meeting of the Committee would be necessary in May. It was also agreed that a further update from the Metropolitan Police with data on the performance of Basic Command Units be requested for the meeting in September.

- 14.2 **RESOLVED:** That the Committee Work Programme be noted and that the Committee hold an additional meeting in May.

The meeting ended at 20:45.

**CHAIRMAN:** \_\_\_\_\_

**DATE:** \_\_\_\_\_